

Executive Summary – Enforcement Matter – Case No. 46581

DCP Midstream, LP

RN100216613

Docket No. 2013-0671-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

People or environmental receptors have been exposed to pollutants which exceed levels that are protective.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Rock Creek Gas Plant, 1000 West 10th Street, Borger, Hutchinson County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 5, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$25,400

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$12,700

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$12,700

Name of SEP: Texas Association of Resource Conservation and Development Areas, Inc.

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Unsatisfactory

Major Source: Yes

Statutory Limit Adjustment: \$15,000

Applicable Penalty Policy: September 2011

Executive Summary – Enforcement Matter – Case No. 46581

DCP Midstream, LP

RN100216613

Docket No. 2013-0671-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: February 21, 2013

Date(s) of NOE(s): March 19, 2013

Violation Information

1. Failed to prevent unauthorized emissions [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit No. 3131A, Special Conditions No. 1, and Federal Operating Permit ("FOP") No. O2449, Special Terms and Conditions ("STC") No. 8].
2. Failed to submit an initial notification for Incident No. 177950 within 24 hours of the discovery of the emissions event [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O2449, STC No. 2F].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. The Order will require Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require Respondent to:
 - a. Within 30 days:
 - i. Implement measures designed to prevent unauthorized emissions due to the same cause as the emissions event that occurred on January 9, 2013 (Incident No. 177950); and
 - ii. Implement measures and/or procedures to ensure the timely submittal of initial reports for emissions events.
 - b. Within 45 days, submit written certification demonstrating compliance with Ordering Provision a.

Executive Summary – Enforcement Matter – Case No. 46581

DCP Midstream, LP

RN100216613

Docket No. 2013-0671-AIR-E

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rachel Bekowies, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2608; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565

Respondent: Dennis J. Dean, Vice President Area Operations Midcom, DCP
Midstream, LP, 9101 Highway 136, Borger, Texas 79007

Garrett Scribner, Environmental Specialist, DCP Midstream, LP, 9101 Highway 136,
Borger, Texas 79007

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-0671-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Twenty-Five Thousand Four Hundred Dollars (\$25,400)
SEP Amount:	Twelve Thousand Seven Hundred Dollars (\$12,700)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Recipient:	Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D") - Clean School Buses
Location of SEP:	Texas Air Quality Control Region 211 - Amarillo - Lubbock

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides reduction catalyst technology in combination with diesel

DCP Midstream, LP
Agreed Order - Attachment A

particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("EPA") or the California Air Resources Board. If RC&D is unable to spend the total SEP Offset Amount on this project, upon approval of the Executive Director, the remaining SEP Offset Amount may be applied to another approved RC&D project.

Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

b. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which was phased between 2007 and 2010.

c. Minimum Expenditure

Respondent shall contribute at least the SEP amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Texas Association of Resource Conservation and Development Areas, Inc.
Attention: Ken Awtrey
P.O. Box 635067
Nacogdoches, Texas 75961

3. Records and Reporting

Concurrent with the payment of the SEP amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP amount to the Third-Party Recipient. Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

DCP Midstream, LP
Agreed Order - Attachment A

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues Section
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

Respondent shall also mail a copy of the check to the Enforcement Division SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	25-Mar-2013	Screening	3-Apr-2013	EPA Due	14-Dec-2013
	PCW	3-Apr-2013				

RESPONDENT/FACILITY INFORMATION

Respondent	DCP Midstream, LP		
Reg. Ent. Ref. No.	RN100216613		
Facility/Site Region	1-Amarillo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	46581	No. of Violations	2
Docket No.	2013-0671-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rachel Bekowies
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$25,250
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	60.0% Enhancement	Subtotals 2, 3, & 7	\$15,150
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Notes: Enhancement for one NOV with dissimilar violations and three agreed orders with denial of liability. Reduction for two Notices of Intent to conduct audits.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$47
Approx. Cost of Compliance \$1,250
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$40,400
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$40,400
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$25,400
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$25,400
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Screening Date 3-Apr-2013

Docket No. 2013-0671-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 46581

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 60%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one NOV with dissimilar violations and three agreed orders with denial of liability. Reduction for two Notices of Intent to conduct audits.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 60%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 60%

Screening Date 3-Apr-2013

Docket No. 2013-0671-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 46581

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), New Source Review Permit No. 3131A, Special Conditions No. 1, and Federal Operating Permit ("FOP") No. 02449, Special Terms and Conditions ("STC") No. 8

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 43,556.73 pounds of volatile organic compounds from the Rock Creek process vent stack, Emission Point Number VENT1, during an emissions event (Incident No. 177950) that began on January 9, 2013 and lasted two hours and 50 minutes. The event occurred when a valve was inadvertently left open following maintenance activities. Since this emissions event could have been avoided with better maintenance practices and was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100.0%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification			

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$25,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one
with an x

daily	x
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$25,000

One daily event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Extraordinary

Ordinary

N/A

Notes

Before NOV NOV to EDPRP/Settlement Offer

(mark with x)

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$25,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$37

Violation Final Penalty Total \$40,000

This violation Final Assessed Penalty (adjusted for limits) \$25,000

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 46581
Reg. Ent. Reference No. RN100216613
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,000	9-Jan-2013	9-Oct-2013	0.75	\$37	n/a	\$37
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for training to ensure that the operators follow the correct procedures. The Date Required is the date of the emissions event. The Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$37

Screening Date 3-Apr-2013

Docket No. 2013-0671-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 46581

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100216613

Media [Statute] Air

Enf. Coordinator Rachel Bekowles

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), Tex. Health & Safety Code § 382.085(b), and FOP No. 02449, STC No. 2F

Violation Description

Failed to submit an initial notification for Incident No. 177950 within 24 hours of the discovery of the emissions event. Specifically, the event was discovered on January 9, 2013 at 6:45 pm and the initial notification was not submitted until January 11, 2013 at 1:34 pm.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$9

Violation Final Penalty Total \$400

This violation Final Assessed Penalty (adjusted for limits) \$400

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 46581
Reg. Ent. Reference No. RN100216613
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$250	10-Jan-2013	10-Oct-2013	0.75	\$9	n/a	\$9
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for improving the reporting system to ensure the timely submittal of emissions event reports. The Date Required is the date the initial notification was due. The Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$9



Compliance History Report

PUBLISHED Compliance History Report for CN601229917, RN100216613, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator:	CN601229917, DCP Midstream, LP	Classification:	SATISFACTORY	Rating:	5.39
Regulated Entity:	RN100216613, ROCK CREEK GAS PLANT	Classification:	UNSATISFACTORY	Rating:	56.40
Complexity Points:	6	Repeat Violator:	NO		
CH Group:	03 - Oil and Gas Extraction				
Location:	1000 WEST 10TH ST BORGER, TX 79007-2702, HUTCHINSON COUNTY				
TCEQ Region:	REGION 01 - AMARILLO				
ID Number(s):					
AIR OPERATING PERMITS	ACCOUNT NUMBER HW0020F	AIR OPERATING PERMITS	PERMIT 2449		
AIR NEW SOURCE PERMITS	PERMIT 3131A	AIR NEW SOURCE PERMITS	REGISTRATION 33452		
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER HW0020F	AIR NEW SOURCE PERMITS	AFS NUM 4823300006		
AIR NEW SOURCE PERMITS	REGISTRATION 81946	AIR NEW SOURCE PERMITS	REGISTRATION 107545		
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER HW0020F				

Compliance History Period:	September 01, 2007 to August 31, 2012	Rating Year:	2012	Rating Date:	09/01/2012
Date Compliance History Report Prepared:	April 01, 2013				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	April 01, 2008 to April 01, 2013				
TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.					
Name:	Rachel Bekowies		Phone:	(512) 239-2608	

Site and Owner/Operator History:

- | | |
|--|-----|
| 1) Has the site been in existence and/or operation for the full five year compliance period? | YES |
| 2) Has there been a (known) change in ownership/operator of the site during the compliance period? | NO |
| 3) If YES for #2, who is the current owner/operator? | N/A |
| 4) If YES for #2, who was/were the prior owner(s)/operator(s)? | N/A |
| 5) If YES, when did the change(s) in owner or operator occur? | N/A |

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- | | | | | | |
|---|-----------------|--|------------|-----------------|---------------------------------------|
| 1 | Effective Date: | 11/27/2009 | ADMINORDER | 2009-0875-AIR-E | (1660 Order-Agreed Order With Denial) |
| | Classification: | Moderate | | | |
| | Citation: | 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382.085(b) | | | |
| | Rqmt Prov: | Permit 5654A, MAERT PERMIT | | | |
| | Description: | Failed to prevent unauthorized emissions. Specifically, the Respondent released 91.23 pounds ("lbs") of carbon monoxide ("CO"), 11.76 lbs of hydrogen sulfide ("H2S"), 2.29 lbs of natural gas, 1.15 lbs of nitrogen dioxide ("NO"), 21.76 lbs of nitrogen oxide ("NOx") and 1,083.41 lbs of sulfur dioxide ("SO2") from the emergency flare during an avoidable emissions event (Incident No. 111923) that began July 31, 2008 and lasted three hours and 30 minutes. The event was the result of a slug of untreated | | | |
| | Classification: | Moderate | | | |
| | Citation: | 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382.085(b) | | | |
| | Rqmt Prov: | Permit 5654A, MAERT PERMIT | | | |

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 205.85 lbs of CO, 26.93 lbs of H2S, 5.23 lbs of natural gas, 2.62 lbs of NO, 49.82 lbs of NOx and 2,480.09 lbs of SO2 from the emergency flare during an avoidable emissions event (Incident No. 111927) that began August 1, 2008 and lasted eight hours and 15 minutes. The event was the result of a slug of untreated H2S gas being introduced to the incinerator which lead to the shutdown of the incinerator.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit 5654A, MAERT PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 417.7 lbs of CO, 53.85 lbs of H2S, 10.46 lbs of natural gas, 5.24 lbs of NO, 99.64 lbs of NOx and 4,960.17 lbs of SO2 from the emergency flare during an avoidable emissions event (Incident No. 117681) that began December 12, 2008 and lasted seven hours and 45 minutes. The event was the result of a slug of untreated H2S gas being introduced to the incinerator which lead to the shutdown of the incinerator.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit 5654A, MAERT PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 49.11 lbs of CO, 6.33 lbs of H2S, 1.23 lbs of natural gas, 0.62 lbs of NO, 11.72 lbs of NOx and 583.21 lbs of SO2 from the emergency flare during an avoidable emissions event (Incident No. 117739) that began August 1, 2008 and lasted two hours and 50 minutes. The event was the result of a slug of untreated H2S gas being introduced to the incinerator which lead to the shutdown of the incinerator.

2

Effective Date: 02/20/2011 ADMINORDER 2010-0784-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

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30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

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Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 10 PERMIT

Description: Failed to comply with the one-hour average for the incinerator combustion chamber temperature of 1,700 degrees Fahrenheit when acid gas or other waste gas is directed to the acid gas incinerator. Specifically, records indicated that one-hour averages for incinerator combustion chamber temperature were below 1,700 degrees Fahrenheit on 43 occasions with an average of 1,623 degrees Fahrenheit from January 1, 2009 through July 31, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 11 PERMIT

Description: Failed to comply with the hydrogen sulfide feed rate of 235 pounds per hour for the acid gas incinerator. Specifically, records indicated a total of 511 exceedances with an average of 271.7 pounds per hour from July 6, 2007 to October 29, 2009.

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.144(1)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Compliance Assurance Monitoring Summary OP
Special Condition 10 PERMIT
Special Condition 12B PERMIT

Description: Failed to maintain the monitoring records for the loss of flare pilot flame and for the incinerator combustion chamber temperature for the required five year period.

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
30 TAC Chapter 122, SubChapter B 122.147(a)(4)
5C THSC Chapter 382 382.085(b)

Description: Failed to report all instances of deviations in semiannual deviation reports from January 1, 2007 through June 30, 2009. Specifically, failure to report deviations of the one-hour average for the incinerator combustion chamber, of the hydrogen sulfide feed rate for the acid gas incinerator, and failure to maintain flare alarm monitoring records and incinerator log temperature records.

3 Effective Date: 08/27/2011 ADMINORDER 2011-0297-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit No. 3131A PERMIT

Description: Failure to prevent the release of unauthorized emissions to the atmosphere during an emissions event (which

did not meet all affirmative defense criteria). This violation was combined with Violation Track No. 422012: Failure to keep one-hour average incinerator combustion chamber temperature above 1700 degrees F and Violation Track No. 422013: Failure to keep H2S feed rate to the acid gas incinerator at 235 pounds per hour or below.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit No. 3131A PERMIT

Description: Failure to prevent the release of unauthorized emissions to the atmosphere during an emissions event (which did not meet all affirmative defense criteria). This violation was combined with Violation Track No. 422012: Failure to keep one-hour average incinerator combustion chamber temperature above 1700 degrees F.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 3131A PERMIT

Description: Failure to prevent the release of unauthorized emissions to the atmosphere during an emissions event (which did not meet all affirmative defense criteria)

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	April 16, 2008	(641289)
Item 2	December 28, 2009	(786672)
Item 3	March 23, 2011	(906940)
Item 4	April 08, 2011	(912032)
Item 5	June 16, 2011	(933123)
Item 6	December 21, 2011	(975932)
Item 7	July 11, 2012	(1016268)
Item 8	August 10, 2012	(1023704)
Item 9	August 16, 2012	(1027727)
Item 10	August 17, 2012	(1027857)
Item 11	October 08, 2012	(1035282)
Item 12	October 10, 2012	(1035961)
Item 13	February 27, 2013	(1059570)
Item 14	March 11, 2013	(1072921)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date: 06/18/2012 (1002035)	CN601229917
	Self Report? YES	Classification: Moderate
	Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1) 5C THSC Chapter 382 382.085(b)	
	Description: Failure to monitor the G-Line receiver for fugitive emissions is a violation of 5C THSC §382.085(b) and 40 CFR §60.482-7(a)(1).	
	Self Report? YES	Classification: Moderate
	Citation: 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GG 60.332 5C THSC Chapter 382 382.085(b)	
	Description: DCP did not conduct monthly testing on ENG-7A as directed by Special Condition 6 of Federal Operating Permit O2449, a failure to comply with 5C THSC §382.085(b), 30 TAC §122.143(4), and 40 CFR §60.332.	

F. Environmental audits:

Notice of Intent Date: 10/27/2008 (722198)
No DOV Associated

Notice of Intent Date: 12/02/2011 (993793)

Published Compliance History Report for CN601229917, RN100216613, Rating Year 2012 which includes Compliance History (CH) components from April 01, 2008, through April 01, 2013.

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DCP MIDSTREAM, LP
RN100216613

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2013-0671-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding DCP Midstream, LP ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a natural gas processing plant at 1000 West 10th Street in Borger, Hutchinson County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation conducted on February 21, 2013, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions. Specifically, the Respondent released 43,556.73 pounds of volatile organic compounds from the Rock Creek process vent stack, Emission Point Number VENT1, during an emissions event (Incident No. 177950) that began on January 9, 2013 and lasted two hours and 50 minutes. The event occurred when a valve was inadvertently left open following maintenance activities. Since this emissions event could have been avoided with better maintenance practices and was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. During an investigation conducted on February 21, 2013, TCEQ staff documented that the Respondent failed to submit an initial notification for Incident No. 177950 within 24 hours of the discovery of the emissions event. Specifically, the event was discovered on January 9, 2013 at 6:45 pm and the initial notification was not submitted until January 11, 2013 at 1:34 pm.
5. The Respondent received notice of the violations on March 21, 2013.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit No. 3131A, Special Conditions No. 1, and Federal Operating Permit ("FOP") No. O2449, Special Terms and Conditions ("STC") No. 8.
3. As evidenced by Findings of Fact No. 4, the Respondent failed to submit an initial notification for Incident No. 177950 within 24 hours of the discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O2449, STC No. 2F.
4. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.

5. An administrative penalty in the amount of Twenty-Five Thousand Four Hundred Dollars (\$25,400) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Twelve Thousand Seven Hundred Dollars (\$12,700) of the administrative penalty. Twelve Thousand Seven Hundred Dollars (\$12,700) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Twenty-Five Thousand Four Hundred Dollars (\$25,400) as set forth in Section II, Paragraph 5 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: DCP Midstream, LP, Docket No. 2013-0671-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 5, Twelve Thousand Seven Hundred Dollars (\$12,700) of the assessed administrative penalty shall be offset with the condition that the Respondent implements the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Implement measures designed to prevent unauthorized emissions due to the same cause as the emissions event that occurred on January 9, 2013 (Incident No. 177950); and

- ii. Implement measures and/or procedures to ensure the timely submittal of initial reports for emissions events, in accordance with 30 TEX. ADMIN. CODE § 101.222.
- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

7/19/17
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of DCP Midstream, LP. I am authorized to agree to the attached Agreed Order on behalf of DCP Midstream, LP, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, DCP Midstream, LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

May 15, 2013
Date

Dennis J. Dean
Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

VP Area Ops Midcon
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order

Attachment A
Docket Number: 2013-0671-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Twenty-Five Thousand Four Hundred Dollars (\$25,400)
SEP Amount:	Twelve Thousand Seven Hundred Dollars (\$12,700)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Recipient:	Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D") - Clean School Buses
Location of SEP:	Texas Air Quality Control Region 211 - Amarillo - Lubbock

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides reduction catalyst technology in combination with diesel

DCP Midstream, LP
Agreed Order - Attachment A

particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("EPA") or the California Air Resources Board. If RC&D is unable to spend the total SEP Offset Amount on this project, upon approval of the Executive Director, the remaining SEP Offset Amount may be applied to another approved RC&D project.

Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

b. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which was phased between 2007 and 2010.

c. Minimum Expenditure

Respondent shall contribute at least the SEP amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent must contribute the SEP amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Texas Association of Resource Conservation and Development Areas, Inc.
Attention: Ken Awtrey
P.O. Box 635067
Nacogdoches, Texas 75961

3. Records and Reporting

Concurrent with the payment of the SEP amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP amount to the Third-Party Recipient. Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

DCP Midstream, LP
Agreed Order - Attachment A

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues Section
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

Respondent shall also mail a copy of the check to the Enforcement Division SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.